

Message Text

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ASUBJECT: JAROSZEWICZ HINTS AT TOUGHER MEASURES TO FULFILL
PLAN

1. THE CHALLENGES POSED BY THE 1976-80 PLAN AND THE DEMANDS IT MAKES ON THE SOCIALIZED AND PRIVATE SECTORS OF POLAND'S ECONOMY WERE HIGHLIGHTED IN PRIME MINISTER JAROSZEWICZ'S YEAR-END ADDRESS TO THE SEJM DECEMBER 19. THE GOVERNMENT EXPECTS BETTER PERFORMANCE FROM THE WHOLE ECONOMY IN THE COMING YEARS, PARTICULARLY THROUGH MORE EFFICIENT USE OF MAN-POWER AND MATERIALS. JAROSZEWICZ HINTED THAT MORE AGGRESSIVE MEASURES MUST BE TAKEN TO ENCOURAGE COMPLIANCE WITH THE PLAN.

2. AGRICULTURE, SUFFERING FROM TWO YEARS OF UNFAVORABLE WEATHER, WAS CITED AS A LEADING CONTRIBUTOR TO POLAND'S ECONOMIC HEADACHES. IMPORTS OF COSTLY GRAINS HAVE BEEN INCREASED, AND EXPORTS OF MEAT REDUCED, BUT SUPPLIES OF SOME PRODUCTS CONTINUE TO BE INADEQUATE. JAROSZEWICZ TOOK PRIVATE FARMERS TO TASK FOR THEIR FAILURE TO ABIDE BY CONTRACTS WITH THE STATE FOR GRAIN DELIVERIES. ONLY FIVE
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WOJEWODZTWO'S HAVE SATISFIED THE 1975 PLAN REQUIREMENTS FOR

GRAIN COLLECTION. THE PRIME MINISTER REMINDED HIS AUDIENCE THAT THE SYSTEM OF CONTRACTS BETWEEN FARMERS AND THE STATE, INTRODUCED IN 1970 TO REPLACE MANDATORY DELIVERIES, COULD ONLY BE MAINTAINED IF ALL FARMERS CARRY OUT THEIR OBLIGATIONS IN AVERAGE HARVEST YEARS AS WELL AS GOOD ONES.

3. JAROSZEWICZ CALLED FOR FASTER GROWTH IN EXPORT PRODUCTION AND FOR GREATER IMPORT DISCIPLINE. THE AUTHORITY OF THE MINISTRY OF FOREIGN TRADE AND THE MINISTRY OF FINANCE OVER FOREIGN TRADE ORGANIZATIONS IS TO BE STRENGTHENED.

4. SPEAKING OF LABOR PRODUCTION, THE PRIME MINISTER ENCOURAGED MORE ENERGETIC ACTION AGAINST UNJUSTIFIED ABSENCES AND EXCESSIVE WORKER MOBILITY. HE SAID THE GOVERNMENT WILL INTRODUCE NEW REGULATIONS CLOSELY TYING WAGE INCREASES TO PRODUCTIVITY GAINS.

5. DOMESTIC MARKET BALANCE IS EXPECTED TO IMPROVE NEXT YEAR, AS CONSUMER-GOODS SUPPLIES INCREASE FASTER THAN WAGES, BUT DEMANDS FOR MEAT WILL NOT BE SATISFIED. CLOSELY FOLLOWING LANGUAGE USED BY FIRST SECRETARY GIEREK IN HIS SPEECH TO THE SEVENTH CONGRESS, JAROSZEWICZ INSISTED THAT THE GOVERNMENT SEES HIGHER PRODUCTION AS THE SOLUTION TO THE MEAT SHORTAGE. HOWEVER, HE ALSO ECHOED GIEREK'S COMMENT THAT THE CURRENT HIGH LEVEL OF MEAT CONSUMPTION SHOWS THE NEED FOR AN EXAMINATION OF THE PRICE STRUCTURE OF BASIC FOOD ARTICLES. HE SAID THIS ANALYSIS WILL BE UNDERTAKEN AND, FOLLOWING CONSULTATION WITH THE PUBLIC, APPROPRIATE RECOMMENDATIONS WILL BE MADE TO THE SEJM.

6. COMMENT: JAROSZEWICZ'S REMARKS REVEAL SOMETHING OF THE DILEMMA FACED BY THE POLISH GOVERNMENT AS IT ATTEMPTS TO WRING MORE PRODUCTIVITY FROM AN OFTEN TRUCULENT LABOR FORCE. INADEQUATE SUPPLIES OF CONSUMER GOODS LIMIT THE INCENTIVE VALUE OF WAGE INCREASES, AS THE GOVERNMENT HAS DISCOVERED IN THE PAST TWO YEARS. YET THE POLISH LEADERSHIP IS ALSO SURELY AWARE THAT A RETURN TO MANDATORY DELIVERIES OF AGRICULTURAL PRODUCTS OR THE APPLICATION OF STRONG DISCIPLINARY MEASURES TO THE INDUSTRIAL LABOR LIMITED OFFICIAL USE

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FORCE IS MORE LIKELY TO REDUCE PRODUCTIVITY THAN TO INCREASE IT. SINCE IT CAME TO POWER, THE PRESENT GOVERNMENT HAS BEEN EXPERIMENTING WITH VARIOUS INCENTIVES TO STIMULATE PRODUCTION. ALTHOUGH SOME OF THESE MEASURES HAVE RAISED OUTPUT, AS IN THE CASE OF THE WOG'S, THEY HAVE NOT BEEN PARTICULARLY SUCCESSFUL IN IMPROVING EFFICIENCY AND THEY HAVE CONTRIBUTED HEAVILY TO INFLATIONARY PRESSURES.

7. THE GOVERNMENT IS NOW MOVING TO LINK WAGE INCREASES WITH PRODUCTIVITY GROWTH, BUT IT HAS CAREFULLY AVOIDED THE SUGGESTION THAT INCREASED PRODUCTIVITY MIGHT PLACE HEAVIER DEMANDS ON POLISH WORKERS.

8. THERE ARE CERTAINLY AMPLE OPPORTUNITIES FOR IMPROVING EFFICIENCY THROUGH BETTER MANAGEMENT AND SOME PRODUCTIVITY GAINS WILL BE REALIZED FROM THE NEW EQUIPMENT THAT HAS BEEN IMPORTED IN LARGE QUANTITIES IN RECENT YEARS. ULTIMATELY, HOWEVER, SOME COMBINATION OF CARROT AND STICK MUST BE FOUND WHICH WILL PERSUADE INDIVIDUAL MANAGERS AND WORKERS TO IMPROVE THE QUALITY OF THEIR PERFORMANCE. THIS WILL BE A PARTICULARLY DIFFICULT TASK DURING A PERIOD WHICH SEEMS LIKELY TO BE MARKED BY INCREASINGLY INTENSE COMPETITION BETWEEN DOMESTIC AND EXPORT MARKET CLAIMS ON POLISH PRODUCTION.
DAVIES

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